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FM AMEMBASSY CAIRO
TO RUEHC/SECSTATE WASHDC PRIORITY 1197
INFO RUEHTV/AMEMBASSY TEL AVIV PRIORITY 1817
RHEHAAA/WHITE HOUSE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

UNCLAS CAIRO 002545

SIPDIS

DEPT FOR NEA/ELA
TREASURY FOR BRYAN BALIN AND FRANCISCO PARODI
WHITE HOUSE FOR USTR- SONIA FRANCESKI

E.O. 12958: N/A

TAGS: ECON EFIN EINV PGOV PREL EG IS

SUBJECT: FOUR EGYPTIAN COMPANIES LOSE QIZ ELIGIBILITY

REF: 08 CAIRO 2410

¶1. (U) The Government of Egypt has publicly announced that four Egyptian companies have had their eligibility to export under the Qualifying Industrial Zone (QIZ) protocol suspended. The companies suspended are The Misr Company for Industrial and Textile Investments, The International Textile House of Egypt, The Egyptian Company for Dyeing and Trading (Azghaltex), and El Nenaiae Company for Industries and Trading. Each of these companies was suspended from QIZ program eligibility for three months as a result of non-compliance with the QIZ protocol. The first three did not meet the 10.5% Israeli content requirement and the last did not submit QIZ documentation.

¶2. (U) The QIZ Joint Committee agreed to these suspensions during its quarterly meeting held in Cairo last month (reftel). Each company is excluded from QIZ eligibility from November 23, 2008 to February 14, 2009. Further violations would carry penalties of 6 and 12 month suspensions. The three companies that had supplied documentation exported just under \$112,000 to the U.S. under the QIZ program in the second quarter, a negligible amount of the \$206 million in total QIZ exports to the U.S. during that period.

¶3. (U) The GOE released notice of the suspensions to the press as well as via updates to the Egyptian QIZ website (www.qizegypt.gov.eg/Data_QualifiedCompanies.aspx).
SCOBAY